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Special Political and Decolonization Committee (Fourth Committee)

Summary record of the 23rd meeting
Held at Headquarters, New York, on Thursday, 11 November 2010, at 3 p.m.

Chairperson: Mr. Chipaziwa ..... (Zimbabwe)

Contents

Agenda item 49: Effects of atomic radiation (*continued*)

Agenda item 118: Revitalization of the work of the General Assembly

Agenda item 51: United Nations Relief and Works Agency for Palestine Refugees in the Near East (*continued*)

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The meeting was called to order at 3.10 p.m.

Agenda item 49: Effects of atomic radiation (*continued*)

Draft resolution A/C.4/65/L.6 on the effects of atomic radiation

1. **The Chairperson** announced that the sponsors of the draft resolution had been joined by Greece, Indonesia, Kazakhstan, Lithuania, Monaco, Ukraine and New Zealand, and that it had no programme budget implications.

2. **Ms. Ventura** (Canada) said that the work done by the United Nations Scientific Committee on the Effects of Atomic Radiation, especially as it related to the use of nuclear energy, provided authoritative scientific assessments of the sources and effects of atomic radiation that were a vital tool in evaluating radiation risk and establishing appropriate safety and radiation protection standards.

3. Introducing draft resolution A/C.4/65/L.6, she noted that, as in past years, it endorsed the Scientific Committee's long-standing mandate and encouraged it to pursue its important work. She drew particular attention to the provisions of the tenth preambular paragraph and paragraphs 9 and 13.

4. **Mr. Mohamed** (Sudan) said that his delegation wished to register its disappointment and discontent at the deletion of previous paragraph 13 from the draft resolution, referring to the present membership of the United Nations Scientific Committee on the Effects of Atomic Radiation. However, the Sudan supported the continuation of the current membership of the Scientific Committee.

5. *Draft resolution A/C.4/65/L.6 was adopted.*

Agenda item 118: Revitalization of the work of the General Assembly

Draft decision A/C.4/65/L.7: Proposed programme of work and timetable of the Special Political and Decolonization Committee (Fourth Committee) for the sixty-sixth session of the General Assembly

6. **The Chairperson** drew attention to the draft decision submitted by the Bureau for inclusion, with the Committee's approval, as an annex to the report on item 118 to the plenary Assembly. In considering the proposed programme of work, the Bureau had taken into account paragraph 18 of General Assembly resolution 64/301 but had not considered that any of the other items on the Committee's agenda should be biennialized or triennialized, nor had it seen possibilities for further clustering or elimination of items.

7. *Draft decision A/C.4/65/L.7 was adopted.*

Agenda item 51: United Nations Relief and Works Agency for Palestine Refugees in the Near East (*continued*) (A/65/551)

8. **Mr. Løvold**, speaking as Rapporteur of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and introducing the report of the Working Group (A/65/551), said that the extent and the nature of the funding crisis facing UNRWA were deeply worrying. While many donors had continued to be very generous despite the global crisis, the report indicated that the level of current contributions for the Agency's General Fund budget was inadequate to meet the basic needs of a growing Palestine refugee population. Higher and more predictable income remained critical, because shortfalls of the kind witnessed in 2010 had become structural. As of September 2010, the anticipated funding gap had been $80.8 million against the downsized 2010 budget, but thanks to the generosity of some of the Agency's main donors in recent weeks, that had been reduced to about $30 million. For 2011, however, the outlook was graver owing to the exhaustion of the Agency's working capital reserve and a large gap forecast between essential expenditures and anticipated contributions from traditional donors.

9. The consequences of that structural financial crisis were many and dramatic, as the report noted, not only undermining access to and the quality of some UNRWA services, but also creating more hardship for staff and jeopardizing the ability of UNRWA to continue the major management reform process it had initiated in 2007. Given the importance of that reform, the Working Group urged donors to fund the Agency's new Sustaining Change initiative, expected to cost $23 million over three years. The Working Group also attached high priority to replenishing the UNRWA capital reserve, which involved the injection of about $130 million as a safety cushion.

10. Lastly, the report highlighted the need for the General Assembly to provide the Agency with adequate financial support, by identifying potential sources of funding that could be used to finance severance payments should it need greater flexibility in the efficient use of staff; reviewing the adequacy of the current level and scope of funding from the United Nations regular budget to meet contemporary demands on the Agency's management, including in particular compliance with General Assembly-mandated initiatives relating to accounting and security standards, the reform of internal justice and the acquisition of a needed data-management system.

11. The Working Group also called upon all donors, especially those in the region, to respond to UNRWA emergency reconstruction needs in Gaza and Lebanon. The Agency played a vital role in assisting the refugees but also in preserving the stability and security of the region, a strategic goal that the international community must help it fulfil. The matter required further discussion and should be considered in conjunction with the strengthening of the Agency's management capacity.

12. **The Chairperson** said that the report on the strengthening of the management capacity of UNRWA was being finalized and was not available for consideration, but the Director for Administrative Support of UNRWA would inform delegations on the current status of the report. He suggested that an additional meeting of the Committee should be scheduled early in 2011 to consider the report.

13. *It was so decided.*

14. **Ms. Londén** (Director of Administrative Support, United Nations Relief and Works Agency for Palestine Refugees in the Near East) said that action to improve her Agency's grave financial outlook was crucial. Unfortunately, throughout the Agency's history, the funds made available to it had not kept up with the growing numbers of refugees and their increasingly complex needs.

15. Especially at more dramatic junctures such as the current one, the Agency had been obliged to turn to the General Assembly for urgent assistance. The major donors to UNRWA had responded magnificently to its changing needs and circumstances, especially the periodic bouts of violence in the region and the current global financial crisis. What had changed beyond recognition since the General Assembly had last considered UNRWA funding in any depth, back in 1974, was the scale and nature of demands on the Agency's management. Apart from the complexity of the programmes currently needed, there was a more challenging operational environment, much more rigorous monitoring and evaluation requirements on the part of donors, and increased demands from the General Assembly itself in recent years. Those requests from key stakeholders demanded additional financial resources beyond those required for programmatic purposes, and could not be met owing to the annual shortfalls in funding and the drying-up of the previous working capital reserve.

16. The dire prospect of the inability of the Agency to sustain its operations had been averted three months earlier, but it still remained on a knife edge. If it did not receive an additional 10 million dollars within the next five weeks, the December staff payroll could not be met.

17. For its part, UNRWA management had been exercising maximum austerity and fiscal prudence across the board. The estimated 2010 budget had been cut back, and the realization of the six-year medium-term plan to improve the overall quality of services faced cloudy prospects. She assured Member States emphatically that, faced with a structural deficit expected only to worsen in coming years, UNRWA was turning to the General Assembly for funding from the regular budget only as a last resort, and not merely to fill a temporary budget gap. In a parallel situation in the early 1970s, when the needs of the Palestine refugees were rapidly outstripping donor income, the General Assembly had stepped into the breach and agreed to cover the cost of international staff salaries out of the Organization's regular staff budget, thus providing the Agency with a modest financial cushion to allow scarce voluntary contributions to be devoted to programme activities in the field. The situation at hand was strikingly similar, the difference being that the Agency's management was currently attempting simultaneously to improve its management of resources, plan better, and target the refugees most in need, while also carrying out reform in a series of areas mandated by the General Assembly. Also, as a proportion of the Agency's overall financial needs, the financial cushion authorized by the General Assembly 36 years earlier had shrunk in real value even as staff positions funded by other agencies had dwindled to one tenth of the number in 1974.

18. At an agency like UNRWA which performed life-saving and human development work in the Middle East day in and day out, when management-related requirements competed for dwindling financial resources with essential programme and emergency demands, the latter must prevail. One very visible result of the constant shortfalls, however, was the deteriorating quality of services provided to an already underprivileged refugee population.

19. It would be unreasonable to seek the replenishment of the working capital reserve from the United Nations regular budget, but neither could the untenable situation be wished away. The advice of Member States on how to restore the Agency's financial health would be most welcome. Perhaps the General Assembly could reconsider the adequacy of the financial arrangements for UNRWA made in 1974, and expand the scope of regular budget funding to pay not only for international staff salaries, but also for some Headquarters functions and for the new management-related expenditures. UNRWA, aware of the difficult financial environment facing the United Nations, could accept an incremental approach, with additional expenditure phased into the Organization's proposed programme budget over two biennial cycles. In any case, there should be no doubt that the status quo was unsustainable and that the financial problems would intensify in the years to come. Member States in all parts of the world had always shown an impressive degree of solidarity with UNRWA, and she was confident that they would not abandon it now in its moment of need.

20. **Ms. Abdelhady-Nasser** (Observer for Palestine) said that it was clear that the financial difficulties faced by the Agency were in fact structural in nature and that any solution must make that the primary consideration. The persistent monetary shortfalls were straining both the financial and the human resources of UNRWA, and the attention and energy of the Commissioner-General and much of the staff, and were at the same time — along with the critical challenges on the ground — affecting the Agency's ability to deliver services adequately. It was simply unfair that funds generously contributed by the donor community for the provision of essential services had instead to be used to cover expenses resulting from the ongoing conflict and from Israel's unacceptable imposition of taxes, levies and movement restrictions on its staff and supplies. Regrettably, the austerity measures the Agency had been forced to apply on various occasions had made the refugee population fearful that the international community was no longer committed to the necessary humanitarian assistance, or even ultimately to a just resolution of their plight.

21. Palestine hoped that the General Assembly, which strongly supported the Agency's mandate, would deal comprehensively with the critical financial issues facing it, doing what was needed to enable it to carry out all of its responsibilities properly and confidently. The donor community as well must continue its strong support of UNRWA.

22. She asked the UNRWA Director of Administrative Support for clarification on two points: what was different about the current financial crisis that had made the Agency appeal now to the General Assembly for assistance; and what would be the Agency's priorities if additional funding was received from the General Assembly?

23. **Mr. Ramadan** (Lebanon) thanked UNRWA for the services it provided to Palestinian refugees in Lebanon, Syria, Palestine proper and Jordan. He was pleased that the funding shortfall had fallen from US$ 100 million to US$ 30 million. While he thanked donors both small and large, and in particular the United States, the United Kingdom of Great Britain and Northern Ireland and the European Union, he called on all donors to contribute generously to UNRWA to overcome the funding shortfall.

24. There was a degree of confusion among delegates related to the general fund for special projects and the emergency funding appeals. While the situation of the general fund was understood, the obstacles faced by special projects were political, mainly as a result of the Israeli blockade, which in some cases prevented UNRWA from spending amounts it held. Specifically, in Gaza, the Agency had not been able to rebuild schools.

25. His delegation strongly supported the use of assessed contributions to cover administrative spending and to improve financial and administrative procedures.

26. He noted that UNRWA had incurred additional expenditures as a result of the taxes levied by the Israeli occupation on items entering Gaza and through compulsory palletization and demurrage.

27. **Ms. Londén** (Director of Administrative Support, UNRWA) said that a special appeal to the General Assembly was, for UNRWA, the last resort. Over the previous five years, expenditure had outstripped income and working capital had been depleted to the point that there was none left, which was the reason extra assistance was required. Working capital had been used as a result of operational pressures, emergencies and unforeseen new requirements. She said that if funding were forthcoming, UNRWA would give priority to all of the requirements mandated by the General Assembly, especially staff safety and security, in addition to the administration of justice and critical information management systems.

The meeting rose at 3.55 p.m.